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United Nations

Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1 January–31 December 2017

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Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1 January–31 December 2017

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Letters of transmittal

Letter dated 4 September 2018 from the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the President of the General Assembly

This has been a tumultuous year for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and its stakeholders. At every level and on every front we have been in crisis mode in 2018, exacerbated by the largest funding shortfall the Agency has ever faced. It is my hope that by the time of or shortly after the General Assembly concludes its general debate in late September, the Agency and its partners will have found the means to resolve our financial crisis. In doing so, we can refocus on the most urgent task: meeting the needs of Palestine refugees in the region, as they experience one of the most dire situations since their displacement in 1948.

In January 2018, following a reduction of $300 million in expected income from the United States of America, historically the Agency's most generous single donor, UNRWA had to contend with a shortfall of $446 million. With our entire programme of work at risk, key partners mounted an extraordinary response to the crisis and we mobilized $238 million in additional funds in six months, the largest effort of its kind to raise resources in support of the Agency. This included a high-level conference in Rome in March, co-chaired by Egypt, Jordan and Sweden, important results at the Arab Summit in May and thereafter, as well as a pledging conference in June at United Nations Headquarters in New York.

In my report to the Secretary-General in June regarding the financial crisis, which was subsequently shared with Member States, I stressed that these contributions represented a significant deepening and diversification of our donor base.

I wish to acknowledge the profound nature of support provided by host and donor Governments, including Arab Gulf partners which pledged a total of $150 million, in itself an unprecedented development. In addition, I wish to refer with deep admiration and gratitude to the Secretary-General of the United Nations for his advocacy on our behalf at the highest levels, contributing to the global response and our ability to sustain operations beyond mid-2018.

As I write, we have opened our 700-plus schools and vocational and technical education centres in all fields of operation. Until the middle of August, our ability to start the school year was far from certain, as we were carrying a $217 million shortfall, of which $123 million was for our core programme budget. In announcing the decision on 16 August, I informed the UNRWA Advisory Commission that I had based it on the Agency's commitment to upholding the right to education and on the generous, decisive actions of our partners, which stepped forward this year and

provided additional funding in the amount of $238 million, thus bringing down the shortfall by over 50 per cent.

No less important were considerations of regional stability, all the more so at a time when it is in short supply. UNRWA must not be forced to take actions that adversely affect the regional dynamic; the consequences of modest, though painful, measures were vividly demonstrated in July when we were forced to cut parts of our emergency assistance in the West Bank and Gaza Strip, terminating the employment of 113 staff in Gaza and a larger number in the West Bank.

Immediately following the announcement of those cuts, affected staff stormed our main field compound in Gaza in protest, remaining there for a full 21 days.

It is imperative that the remaining shortfall be bridged in the month of September to enable us to sustain operations and continue implementing our mandate by addressing the dire situation that the refugees face on the ground. Indeed, this has been a year of anguish for the refugees, who have contended with extreme pressures, hardship and anxieties about their future.

Thousands of young people have lost their lives or were severely injured in the course of demonstrations along Gaza's border with Israel, and the threat of war continues to hang over the territory. In the West Bank, hundreds have had their homes destroyed and been subjected to forced displacement, while the Palestinian claim to Jerusalem was challenged anew. In the Syrian Arab Republic, tens of thousands of refugees experienced deep shock following the last phase of devastation in Yarmouk.

For Palestine refugees throughout the region there seems to be no hope and no horizon.

On 31 August, the United States announced that it will no longer fund UNRWA, a decision the Agency deeply regrets. Mandated by the General Assembly, UNRWA has a responsibility towards Palestine refugees and will pursue its humanitarian and development mission with absolute determination and unchanged commitment.

Against this challenging backdrop, the remarkable additional support mobilized by the international community is immensely important. I look forward to working closely with our partners to ensure we overcome the remaining shortfall this year and respond adequately to the needs and aspirations of Palestine refugees in the future. I cannot imagine returning to our courageous students and telling them that we have failed to protect the education that is so central to preserving their hope and opportunities.

(*Signed*) Pierre **Krähenbühl**
Commissioner-General

Letter dated 19 June 2018 from the Chair of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the Commissioner-General of the Agency

At its regular session, held at the Dead Sea on 18 and 19 June 2018, the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) considered your draft annual report on UNRWA activities and operations, covering the period from 1 January 2017 to 31 December 2017, to be submitted to the General Assembly at its forthcoming session.*

The Commission commends UNRWA and its teams for their continuous delivery of necessary services for Palestine refugees in UNRWA fields of operation, in accordance with its mandate and despite hardships faced, especially during the past year. In this regard, the Commission expresses its sincere gratitude to both donor Governments and host Governments for their support to the vital mandated role of UNRWA to assist and protect Palestine refugees and to deliver human development and humanitarian assistance for millions of Palestine refugees in the region, which furthers the conditions for regional peace and stability.

In this regard, the Commission reiterates the important role UNRWA plays in the region until a just and lasting solution for the Palestine refugees is reached in accordance with all relevant United Nations resolutions (General Assembly resolutions 194 (III) and 302 (IV)). The Commission notes that the number of refugees under the UNRWA mandate is 5.4 million and accordingly recognizes the ongoing vulnerability and growing needs of Palestine refugees affected by displacement and its consequences for 70 years.

The Commission expresses its extreme concern regarding the volatile situation in the region that has seen increasing violence, marginalization, displacement and poverty which has affected millions of civilians, and especially Palestine refugees in UNRWA fields of operation.

The Commission is seriously concerned about the continued and dramatic deterioration in socioeconomic conditions, increased desperation and frustration across Gaza and a greater reliance on UNRWA services.

Furthermore, the Commission expresses its significant concern regarding the recurring financial deficits of UNRWA that have recently led to available resources being stretched to their limits, which poses additional operational challenges and could have potential consequences on both the programme and emergency appeals budgets. The inability to provide for the necessary protection, relief, health and educational needs of Palestine refugees negatively affects the quality of their lives. This could increase the risk of young people without hope and opportunity turning to radicalization through frustration and despair.

In this context, the Commission recognizes the financial burden experienced by the host Governments, especially with rising global prices and with scarce resources available to cater to the needs of more Palestine refugees fleeing conflict zones in the region. Thus, the Commission urges all donors to help in contributing towards predictable, sustained and sufficient funding for UNRWA in order to maintain the human development of Palestine refugees and, thus, contribute to the stability of the region. The Commission appreciates the efforts of UNRWA management and teams in attempting to find innovative funding solutions in line with predictability,

* The United States of America does not associate itself with the text of the letter.

efficiency and effectiveness in delivery of UNRWA services to maintain a high quality of life for Palestine refugees.

The Commission calls upon all relevant parties to meet their respective obligations under international humanitarian, human rights and refugee law, relevant United Nations resolutions, the 2005 Agreement on Movement and Access, and all relevant international agreements, as applicable to relevant parties, in order to enable UNRWA to provide its services in accordance with its mandate and without hindrance or additional cost, including those obligations relating to granting rapid and unimpeded access to UNRWA. The Commission is especially concerned about the restrictions faced by UNRWA staff within the Palestinian territory occupied since 1967, including East Jerusalem.

The Commission stresses that the forced displacement, destruction of homes and economic opportunities and movement restrictions in the West Bank, including East Jerusalem, and Gaza, imposed by Israeli forces, negatively affect Palestine refugees' living conditions and well-being, as well as posing severe challenges for UNRWA to carry out its duties under its mandate. Incursions, misuse of facilities for unauthorized political or other events, disruption of services by forced closures or protests and discovery of tunnels under UNRWA facilities in Gaza, reported by UNRWA on two occasions, have all seriously challenged UNRWA operations. The Commission calls on all actors to refrain from actions that jeopardize UNRWA services and at all times to respect the inviolability and neutrality of UNRWA installations and the interests of Palestine refugees consistent with the mandate of UNRWA.

The Commission would like to express its gratitude to the Commissioner-General for his efforts to obtain the required funding to implement the Agency's mandate, to enact reforms for the sake of strengthening provision of services by UNRWA, and for continuing to utilize the resources available efficiently. At the same time, the Commission urges the Commissioner-General and UNRWA management to take further such efforts to set UNRWA on a sustainable financial trajectory so as to ensure services continue to reach the most vulnerable Palestine refugees.

The Commission would especially like to thank Jordan, Sweden and Egypt for their successful efforts in holding the UNRWA extraordinary ministerial conference last March in Rome. The conference voiced political support for UNRWA and its mandate and critical services, as well as attaining pledges of $100 million for vital UNRWA services. The Commission hopes that all new funding will be disbursed as soon as possible.

(*Signed*) Ambassador Tarek **Adel**
Chair of the Advisory Commission

Chapter I
Contextual overview

A. Political, economic and security developments

1. Within a volatile regional environment in 2017, violence and marginalization continued to affect Palestine refugees across all five fields of United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) operation: Jordan; Lebanon; the Syrian Arab Republic; the West Bank, including East Jerusalem; and the Gaza Strip. Within this context and in line with its mandate derived from the General Assembly to assist and protect Palestine refugees, the Agency continued to deliver human development and humanitarian assistance in the areas of education, health, relief and social services, infrastructure and camp improvement, microfinance and protection.

Gaza Strip

2. Within a highly unstable political, security and socioeconomic field of operation, UNRWA provided assistance to meet the needs of 1,386,455 registered Palestine refugees in Gaza.[1] During the reporting period, the blockade entered its eleventh year and continued to keep 1.9 million people largely locked into a 365 square kilometre enclave. The psychosocial impact of the 2014 hostilities, compounded by socioeconomic factors associated with the blockade, political uncertainty and an ongoing energy crisis that dramatically worsened in 2017, has had significant repercussions on the coping mechanisms of Palestine refugees in Gaza.[2]

3. Security remained volatile with recurring incidents, the firing of rockets and frequent unrest, including demonstrations related to the status of Jerusalem. Internal political divisions further intensified, especially after the Palestinian Authority, in March 2017, started to reduce the salaries of approximately 60,000 Gaza-based Palestinian Authority security and civil servants by at least 30 per cent. In addition, civil servants employed by the de facto government continued to receive only partial salaries. Cuts in the funding of electricity supplies to Gaza compounded the chronic electricity deficit, increasing power outages to 18–20 hours per day, with a pervasive impact on all spheres of life. Further to a request by the United Nations country team, UNRWA contributed to mitigating the effects of the worsened electricity deficit by procuring fuel for essential water, sanitation and health activities carried out by the United Nations in Gaza.

4. In October 2017, Hamas and Fatah signed a landmark reconciliation deal, a key step towards ending a decade-long political rift between the two Palestinian factions. This agreement was to have seen administrative control of the Gaza Strip handed over to a Palestinian Government of national consensus in December 2017; however, very limited progress had been made in this regard by the end of the reporting period.

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[1] An additional 129,194 "other registered persons" are registered with UNRWA in Gaza, a term that refers to those who, at the time of original registration, did not satisfy all of the UNRWA Palestine refugee criteria but were determined to have suffered significant loss or endured significant hardship for reasons related to the conflict of 1948 in Palestine, and those who belong to the families of other registered persons.

[2] United Nations Development Programme, *Three Years after the 2014 Gaza Hostilities: Beyond Survival — Challenges to Economic Recovery and Long-term Development* (May 2017).

5. Unemployment in Gaza stood at 43.6 per cent in 2017, leaving over 216,900 Gazans unemployed, an increase of almost two percentage points on the 2016 unemployment rate and a level seen only in the immediate aftermath of the 2014 hostilities.[3] The population continues to suffer under wide-ranging import (including of medical and humanitarian items), export and movement restrictions. The impact of the blockade on the civilian population in Gaza, including Palestine refugees, is exacerbated by restricted access at Rafah and significant delays in the approval of "dual use" items;[4] the import of raw materials and equipment continued to be severely restricted and subject to cumbersome procedures, negatively affecting industrial production and public infrastructure.

West Bank

6. The impact of over 50 years of Israeli occupation of the West Bank, including East Jerusalem, is particularly acute in the 19 official refugee camps,[5] where the Israeli security forces conduct regular security operations (averaging over two incursions per day in 2017). Many of these operations result in fatalities, live ammunition injuries, the excessive use of tear gas, property damage and severe societal stress. In 2017, 51 Palestinians, including 14 refugees, 6 of whom were minors, were killed and an additional 6,973 were injured by the Israeli security forces.[6] UNRWA remains concerned about the use of live ammunition and tear gas in and around camps, mostly during confrontations with the Israeli security forces. During the reporting period, 14 Israeli fatalities and 145 injuries were recorded in the West Bank.

7. Palestinian communities, especially those in Area C, commonly face the threat of and actual home demolitions and confiscations, which contribute to a coercive environment. Israeli authorities maintained the affected structures were built without permits; legal proceedings remained afoot with respect to a number of pending measures. In 2017, the Israeli authorities introduced the use of a military "demarcation order" that enables them to bypass potentially lengthy legal proceedings to rapidly demolish community structures. In addition, the Israeli Civil Administration targeted a number of schools for demolition, three of which are now under imminent threat.

8. During the reporting period, Israeli settlement expansion continued in the West Bank, including East Jerusalem. At least 423 structures were demolished,[7] of which 99 belonged to Palestine refugees.[8] These demolitions displaced 664 Palestinians, including 368 children, and although the figures represent a decrease compared with the number of demolitions and displacements that occurred in 2016, they are similar to levels registered in 2015 and 2014.

9. On 6 December 2017, the United States of America announced its recognition of Jerusalem as the capital of Israel, an act that was followed by a series of Palestinian

[3] Palestinian Central Bureau of Statistics, press releases on the results of the labour force survey (average, 2017).

[4] These materials are permitted to enter Gaza only for approved projects implemented by international organizations and, since mid-October 2014, under the Gaza Reconstruction Mechanism, established on the basis of an agreement between Israel and the Palestinian Authority brokered by the United Nations to facilitate the entry of certain restricted building materials and machinery into Gaza.

[5] In the West Bank, 828,328 registered refugees and an additional 194,542 "other registered persons" are listed with UNRWA.

[6] United Nations, Office for the Coordination of Humanitarian Affairs, Protection of Civilians Report, 16–29 January 2018; and data from UNRWA West Bank Field Office.

[7] Ibid.

[8] Data from UNRWA West Bank Field Office.

protests throughout the West Bank. A follow-on spike in injuries as a result of clashes was observed, with an 86 per cent increase in the number of injuries in December in comparison with the monthly average recorded during the year.

10. In terms of socioeconomic development, during the fourth quarter of 2017 unemployment in the West Bank reached 13.4 per cent for Palestine refugees outside camps, 15.8 per cent for refugees in camps and 13.9 per cent for non-refugees.[9] This contributes to high levels of poverty and higher levels of food insecurity in Palestine refugee households in the West Bank.[10]

Syrian Arab Republic

11. In 2017, the political, economic and security context in the Syrian Arab Republic continued to be defined by the ongoing conflict and its dire humanitarian impact on civilians and infrastructure across the country, including in official and unofficial refugee camps and other places where these refugees reside.

12. During the reporting period, humanitarian access remained constrained in Yarmouk, Yalda, Babila and Bayt Saham, which remained besieged as at the end of 2017; no UNRWA aid convoy has been able to reach these areas since May 2016. Dera'a camp and the villages of Muzayrib and Jallayn also remained hard to reach or inaccessible, although services continued to be provided to a certain extent by Agency staff inside these areas. The impact of the conflict on Agency operations has been severe, curtailing the delivery of essential assistance. Since the beginning of the hostilities, 18 UNRWA staff have been killed as a result of the conflict or in circumstances related to the conflict. A further 24 Agency personnel have been detained, presumed detained or are missing as at 31 December 2017.[11] Many UNRWA installations and other assets remain inaccessible or have sustained severe damages, including 23 vehicles and 44 facilities.

13. The continuing conflict in the Syrian Arab Republic, now in its seventh year, is characterized by widespread violations and abuses of international humanitarian and human rights law by all sides, and the dynamics and unpredictability of the situation continued to severely constrain the regular delivery of life-saving humanitarian assistance by the Agency and other aid agencies. The conflict has had dramatic consequences for Palestine refugees. While public services have been severely affected, economic disruption, a fragile employment market and the scaling down of social security programmes have both created and compounded vulnerabilities. Intense and widespread hostilities persist as do continued internal displacement, large-scale migration to other countries, lost livelihoods and mounting humanitarian needs.

14. During the reporting period, the economic context in the Syrian Arab Republic was characterized by significant price rises, increased unemployment and inflation, shortages of essential commodities and the decreased value of the Syrian pound, further compounded by the continued impact of sanctions. Health, education and other public services have also been severely affected by the armed conflict, forcing Palestine refugees to rely even more on UNRWA services to survive.

15. The Agency estimates that 438,000 Palestine refugees remain in the Syrian Arab Republic, compared with 560,000 individuals registered with UNRWA prior to the conflict.[12] Of those that remain, 418,000 individuals, representing 95 per cent of the

[9] Palestinian Central Bureau of Statistics, press release on the labour force survey, fourth quarter, 2017.

[10] Palestinian Central Bureau of Statistics and World Food Programme, *Socioeconomic and Food Security Survey 2016* (forthcoming).

[11] Comprising 14 staff members and 10 non-staff personnel.

[12] UNRWA serves an additional 79,238 "other registered persons" in the Syrian Arab Republic.

total of the Palestine refugee population in the country, rely on humanitarian assistance to meet their most basic needs. Approximately 254,000 Palestine refugees have been displaced at least once within the Syrian Arab Republic and 49,700 refugees still reside in hard-to-reach and inaccessible areas.

Lebanon

16. As at the end of 2017, 469,555 Palestine refugees in Lebanon were registered with UNRWA.[13] The ongoing crisis in the Syrian Arab Republic has had a negative impact on Lebanon's socioeconomic situation, with Syrian refugee inflows placing further pressure on an already weak infrastructure, public service delivery and finances. Some 1.2 million Lebanese citizens live below the poverty line, with nearly 200,000 falling into poverty since the start of the crisis.[14] Within this context, Palestine refugees are among the most vulnerable and marginalized, as they confront high poverty, food insecurity and unemployment rates and difficulties in securing their livelihoods as a result of administrative restrictions that limit access to the national labour market. In a positive development, during the second half of 2017 the Government of Lebanon took steps to extend, upon the fulfilment of certain conditions, the residency visas of Palestinian refugees from the Syrian Arab Republic for a period of six months, free of charge. In addition, the authorities now facilitate marriage and birth registrations of Palestinian refugees from the Syrian Arab Republic by waiving residency requirements.

17. The infiltration of various armed groups has resulted in an increased presence of the Lebanese Armed Forces along the Syria border. Following years of closure, the official Qa' border crossing with the Syrian Arab Republic reopened at the end of 2017.

18. During the reporting period, the security situation in Palestine refugee camps remained relatively stable, with the exception of closures and protests in Nahr el-Bared camp and violent confrontations in Ein El Hilweh camp that resulted in a number of casualties, population displacement, service disruptions and structural damages to 844 shelters, 194 businesses and four community centres. The fighting, which was primarily between the Joint Palestinian Forces (made up of members from the Palestinian factions and tasked to maintain camp security) in coordination with the Lebanese Armed Forces, and extremist groups, eventually ended in a ceasefire in late August. Citing security concerns to prevent further extremist infiltration, the Lebanese Armed Forces constructed a security perimeter around the whole of Ein El Hilweh camp. In Nahr el-Bared camp, protests in April to June 2017, focusing on the resumption of UNRWA rental cash subsidies (which were suspended in October 2015), significantly disrupted Agency operations through installation closures and delays in camp reconstruction efforts.[15]

Jordan

19. In Jordan, 2,206,736[16] Palestine refugees are registered with UNRWA, with the majority possessing Jordanian citizenship, thereby allowing them to enjoy the same rights as other Jordanian nationals. Approximately 158,000 Palestine refugees who fled Gaza in 1967 do not have Jordanian nationality and face restricted access to public services. During the reporting period, Jordan remained a relative beacon of

[13] UNRWA serves an additional 54,785 "other registered persons" in Lebanon.

[14] World Bank Group, "World Bank in Lebanon: Overview", 1 April 2017.

[15] During the reporting period, other Palestine refugee camps, including Burj Barajneh, Shatila and Beddawi, witnessed sporadic incidents of violence that largely reflected social tensions and lawlessness.

[16] An additional 120,804 "other registered persons" are registered with UNRWA in Jordan.

stability within an increasingly insecure region. The crisis in the region continues to place considerable pressure on the infrastructure and socioeconomic situation in Jordan as a result of the influx of refugees, disruptions in trade, a reduction in investment and a drop in tourism. Demand for Jordan's scarce natural resources, public services and employment has increased, while foreign and domestic investment has fallen. Unemployment has become a major challenge with joblessness rising from 15.8 per cent in December 2016 to 18.5 per cent by the end of 2017.[17] Young people have been especially affected in this regard. The nation continued to rely on grants and remittances from Gulf economies.[18]

20. The number of Palestinian refugees from the Syrian Arab Republic recorded with UNRWA in Jordan stood at 17,529 at the end of 2017, owing in part to a government policy of non-admission that was introduced in 2013. Of this number, 92 per cent struggled to meet basic needs.[19] The approximately 13 per cent of Palestinian refugees from the Syrian Arab Republic without legal status in Jordan are particularly vulnerable as they face restrictions on employment, limited access to the courts and civil status/registration processes and the threat of forcible return. Many also face restrictions on accessing humanitarian assistance available to the non-Palestinian Syrian refugee population. Palestinian refugees from the Syrian Arab Republic are referred to UNRWA as their main provider of health, education, emergency assistance, registration and protection services in Jordan.

B. Operational and organizational developments

21. In 2017, UNRWA was able to rapidly and effectively deliver human development and humanitarian assistance by drawing on its operational strengths, in particular its over 31,000-strong workforce, the majority of whom are Palestine refugees and members of the communities they serve. During the reporting period, the Agency provided education for 526,646 children, over 8.3 million primary health-care consultations, social safety net assistance for 254,610 persons, technical and vocational education and training for 7,689 youth and microfinance loans for 38,595 persons. In addition, UNRWA served an estimated 8,000 Palestine refugees experiencing protection risks, while 7,338 families benefited from shelter rehabilitation. Emergency humanitarian assistance was extended to 1.43 million refugees, primarily in the occupied Palestinian territory and the Syrian Arab Republic. In 2017, the Agency commenced internal discussions as to the potential move from the almost universal distribution of assistance to Palestine refugees in the Syrian Arab Republic to a more targeted approach, based on vulnerability criteria. The gradual implementation of this approach will be undertaken in 2018, while acknowledging the considerable vulnerability faced by those affected by the conflict.

22. In 2017, UNRWA supported the nutritional needs of approximately 993,000 vulnerable Palestine refugees in Gaza. In addition, 271,900 students were educated through 275 UNRWA schools, 70 per cent of which operated on a double-shift basis. Technical and vocational education and training was extended to an additional 1,820 students. Furthermore, primary health-care consultations were provided to 3.8 million persons, along with almost 12,000 subsidies for secondary and tertiary health care. In order to enhance quality and efficiency of service provision, UNRWA completed the transition of all health centres to the e-Health system and the family-health team

[17] Jordan, Department of Statistics, http://dosweb.dos.gov.jo/18-5-unemployment-rate-during-the-fourth-quarter-of-2017.

[18] World Bank Group, "World Bank in Jordan: Overview", 16 April 2018.

[19] UNRWA vulnerability assessment, December 2017.

approach.[20] Through its community mental health programme, the Agency sought to address the psychosocial impact of the 2014 hostilities and the blockade.

23. Under the auspices of the Gaza Reconstruction Mechanism, thousands of refugee shelters have been repaired or rebuilt following the 2014 hostilities. As at the end of 2017, with UNRWA support, over 2,600 refugee families had completed or were in the process of completing the reconstruction of homes that were totally destroyed during the 2014 hostilities. In addition, 84,750 families had completed or were in the process of completing repairs to damaged homes. Despite the very difficult operational context in the Gaza Strip, the Agency continued to take organizational measures to rigorously uphold its commitment to neutrality. In 2017, following a swift investigation that found them to be occupying senior positions in Hamas, the Agency separated two staff members for engaging in political activity, a serious breach of the UNRWA regulatory framework.

24. In the West Bank, UNRWA educated 48,192 children and extended technical and vocational education and training to an additional 1,062 students. Primary health-care services were dispensed through 43 health centres and health points and three mobile health clinics that collectively provided 1,058,819 consultations. Through e-cards, the Agency continued to provide cash assistance to 36,129 social safety net programme beneficiaries, offering Palestine refugees greater choice and flexibility in satisfying their needs. In addition, food vouchers and cash-for-work opportunities were extended to 16,937 refugee households. In partnership with the World Food Programme, UNRWA also provided in-kind food assistance to 37,023 Bedouin and herder individuals vulnerable to various access restrictions and protection threats. Microfinance loans were extended to 10,343 persons and 69 vulnerable refugee families benefited from shelter rehabilitation assistance.

25. Throughout the reporting period in the Syrian Arab Republic, emergency cash and food assistance remained priority humanitarian interventions that, through four assistance rounds,[21] reached 410,157 vulnerable refugees with cash and 393,147 with food. UNRWA also provided Palestine refugees with essential non-food commodities, focusing especially on the internally displaced living in collective shelters.

26. During the reporting period, education was provided to 47,585 Palestine refugee students through a network of 104 schools, a service provision that was enhanced through the Agency approach to education in emergencies. Health care was provided through 27 health centres and health points, including a mobile clinic and 18 primary health-care facilities that collectively provided 831,015 consultations. In addition, five family support offices facilitated the provision of legal and psychosocial support through a network of community development social workers, lawyers and volunteers who assisted survivors of gender-based violence and refugees seeking legal assistance related to civil registration and documentation. The Agency also provided potable water, maintained sewerage works and provided solid waste management in all accessible refugee camps. UNRWA contributed to strengthening refugee capabilities to enable them to access livelihood opportunities through the direct provision of technical and vocational education and training for 1,109 students. In addition, despite significant challenges related to the devaluation of the Syrian pound, Agency microfinance loans continued to support a growing number of entrepreneurship opportunities for Palestine refugees and Syrians alike.

[20] The family health team approach focuses on the provision of comprehensive and holistic care for the entire family and has contributed to improving the quality of primary health care through a more efficient redistribution of duties among medical staff, reducing workloads and increasing consultation times.

[21] In 2017, there were four distribution rounds of cash and a further four rounds of food assistance.

27. UNRWA operations in Lebanon provided essential services to 204,631 eligible persons, including Palestinian refugees from the Syrian Arab Republic and Palestine refugees in Lebanon, encompassing education, enhanced through the Agency approach to education in emergencies, for 36,775 students enrolled in Agency schools and 1,188,356 primary health-care consultations through 27 health centres. Cash assistance through the social safety net programme was provided to 61,709 Palestine refugees in Lebanon, while emergency cash-for-food and multipurpose cash assistance benefited an average, per assistance round, of 32,332 Palestinian refugees from the Syrian Arab Republic.

28. During the reporting period, UNRWA continued to support refugee livelihood opportunities through targeted vocational training for 984 students, while a newly established innovation laboratory enhanced the skills and employability of 400 youth. The Agency also supported 281 microcredit initiatives for start-up and existing businesses, while 238 grants were dedicated to self-help shelter rehabilitation. Through both direct service provision and external referrals, legal aid services, including counselling, assistance and representation (by external partners), were extended to 6,998 refugees. Furthermore, numerous infrastructure, camp improvement and environmental health initiatives benefited over 100,000 residents across 12 Palestine refugee camps. Ten years after the almost complete destruction of Nahr el-Bared camp, reconstruction is more than half complete. Thus far, 2,641 families (10,871 individuals) received the keys to their newly reconstructed housing units while 740 retail units have been provided to traders. Notwithstanding this success, UNRWA still faces a shortfall of over $105 million to complete reconstruction of the Nahr el-Bared camp.

29. In Jordan, UNRWA services continued to contribute to the human development of Palestine refugees through the provision of basic education for 122,194 children and technical and vocational education and training for 2,714 youth. A total of 26 health centres provided 1,613,786 primary health-care consultations, while cash-based transfers under the social safety net programme were provided to 58,847 refugees. Currently, the waiting list for the social safety net programme stands at 28,871 applications and it continues to grow because of a rapidly increasing cost of living. In 2017, microcredit was extended to 7,098 refugees for a total amount of $8.7 million. Humanitarian assistance, including emergency cash, health, education, vocational training and protection, was provided to 17,529 Palestinian refugees from the Syrian Arab Republic.

30. King Abdullah Park is a closed reception and holding facility in the north of Jordan that has been used since October 2016 to replace a similar facility known as Cyber City. As at 31 December 2017, 497 individuals (324 Palestinian refugees from the Syrian Arab Republic, 162 Syrians and 10 others) whose mobility is very restricted resided in this facility. UNRWA provides these individuals with health care, protection and emergency cash assistance. Towards the end of the reporting period, in view of the possible withdrawal of key partners from King Abdullah Park, UNRWA successfully advocated for the continuation of support services, namely water, sanitation and hygiene facilities, education and camp management to refugees currently in this facility until a solution to their situation is found.

C. Legal matters

Agency staff

31. Israeli authorities, citing security concerns, continued to restrict the freedom of movement for UNRWA personnel in the occupied Palestinian territory, including East Jerusalem. Restrictions included: (a) the prohibition of Agency local staff who are not

resident in Jerusalem to travel in United Nations vehicles across the Erez crossing and the Allenby Bridge, or to drive in Israel and East Jerusalem; and (b) time-consuming and cumbersome procedures to obtain permits for local staff who are not resident in Jerusalem to enter Israel and East Jerusalem. On many occasions, permits were not granted even though procedures had been followed. On average, permits to enter East Jerusalem from the rest of the West Bank were not issued to 18.7 per cent (116 individuals) of UNRWA personnel where they were required.

32. Israeli procedures at the Allenby Bridge continued to require that United Nations vehicles be subjected to a search unless an occupant thereof held an identification card issued by the Ministry of Foreign Affairs, even though such searches represent a violation of United Nations immunity. Those procedures restricted the movement of international staff based at UNRWA headquarters in Amman, to whom the Ministry does not issue such cards.

33. Israeli procedures at the Erez crossing continued to require that United Nations vehicles be subjected to a search unless the occupants thereof included a United Nations staff member holding a diplomatic visa or was driven by an international staff member on a limited list approved by the Israeli authorities, even though such searches represent a violation of United Nations immunity. The procedures for the inspection of personal luggage of staff without diplomatic visas at the Erez crossing remained in place and opening hours at the crossing remained restricted. On 159 occasions at checkpoints in the West Bank, including for entry into East Jerusalem, Israeli authorities demanded to search Agency vehicles. UNRWA faced a significant increase in search demands for Agency buses transporting staff from Hebron and Bethlehem to Jerusalem, causing significant delays. In at least 59 instances, personnel assigned to the Agency's West Bank Field Office were prevented from attending work because access through checkpoints was denied. While the majority of searches were avoided through UNRWA interventions, rerouting or turning back, on six occasions searches were carried out. The Agency protested those searches as a violation of the 1946 Convention on the Privileges and Immunities of the United Nations.

34. The aforementioned restrictions are inconsistent with the Charter of the United Nations, the 1946 Convention, relevant United Nations resolutions and the Comay-Michelmore Agreement of 1967, by which the Government of Israel is obligated to facilitate the task of UNRWA to the best of its ability, subject only to regulations or arrangements that may be necessitated by considerations of military security. The Agency applied for permits for local staff to enter East Jerusalem for operational and humanitarian reasons only and without prejudice to relevant United Nations resolutions, including resolutions relating to the status of Jerusalem. Israeli authorities maintained that the restrictions were necessary to protect against terrorist attacks.

35. In the West Bank, staff movement continued to be restricted and unpredictable at several checkpoints, notably those controlling access to East Jerusalem or through the West Bank barrier. In 2017, movement restrictions in the West Bank resulted in the loss of at least 1,366 staff days, compared with 160 in 2016, representing the highest number of lost days since 2008. Despite several requests for unimpeded humanitarian access, it remained difficult to deliver UNRWA services in the "seam zone" (areas between the Green Line and the barrier). The situation regarding requirements for the Agency and other United Nations trucks to use specific commercial checkpoints to enter Jerusalem remained unchanged.

36. Local staff in Gaza required permits from the Israeli authorities to transit the Erez crossing. During 2017, of 908 applications, 485 permits (53 per cent) were granted. Compared with 2016, the number of permits applied for increased by approximately 8 per cent. While the overall percentage of permit applications not granted decreased from 59 per cent to 47 per cent, this continued to negatively affect

UNRWA operations. Despite repeated requests, the Agency has not received a substantive justification as to the reasons for permits that were not approved.

37. As a result of the closure of the Israeli embassy in Jordan following a security incident on 22 July 2017, UNRWA was unable to secure visas from Israel for 155 personnel based in Amman during the period following the closure until the end of 2017, preventing staff from performing official functions relating to Agency operations in the West Bank, including East Jerusalem, and the Gaza Strip. During 2017, UNRWA was unable to secure appropriate visas from the Israeli authorities for Agency internships requiring such visas.

38. In 2017, the Rafah crossing between Egypt and Gaza was open for public use for 22 days. Citing security concerns in the Sinai, the ban imposed by the United Nations on duty travel for staff members travelling through Rafah remained in place. No staff members were allowed to cross in 2017.

39. In Lebanon, the volatile security situation in Palestine refugee camps in the Saida and north Lebanon areas resulted at times in movement restrictions that affected UNRWA staff and operations. During 2017, no significant movement restrictions were imposed on Agency staff by the Governments of Jordan or the State of Palestine. Further to the pre-approval requirement relating to the issuance of residency permits for new incoming international staff introduced by the Jordanian authorities in 2016, residency permits for two new international staff were issued with significant delays and without the customary residency identification card.

40. In the Syrian Arab Republic, the armed conflict continued to be characterized by engagement and military action from a variety of actors, increasing unpredictability and the use of heavy weapons and weapons of indiscriminate impact. Generalized insecurity continued to seriously affect free movement and humanitarian access. Two Agency personnel were injured as a result of indirect fire. Numerous checkpoints remained in place, including in and around Damascus. UNRWA vehicles were searched at some checkpoints contrary to United Nations immunity. Of 152 visa applications (residency and for visits) for international personnel, including renewals, two were not granted.

41. At the end of 2017, 29 Agency staff were missing, detained, kidnapped or presumed detained: some 14 staff were believed to be missing, detained or kidnapped in the Syrian Arab Republic, either by the Syrian authorities or other parties, six were detained by the Israeli authorities, three by the de facto authorities in Gaza, four by the Jordanian authorities, and two by the Palestinian authorities. Despite requests in accordance with General Assembly resolution 36/232, in 2017 the Syrian authorities did not provide the Agency with access, but provided information about certain staff that remained in their custody during the year. The Israeli authorities provided information on one staff member. While the Jordanian authorities provided information on the reasons for detention with respect to one staff member in their custody, they did not respond to requests for access to detained staff during the reporting period. The Palestinian authorities granted access to one staff member in their custody. The de facto authorities in Gaza provided information about two staff members.

Agency services and premises

42. The Israeli authorities continued to impose transit charges on shipments entering Gaza, forcing UNRWA to pay $0.89 million in 2017. The Agency considers such charges a direct tax from which it ought to be exempt under the 1946 Convention. In the view of Israel, the charges are a fee for service, from which there is no exemption. Since November 2016, UNRWA vehicles can only be imported through Erez. For all other Agency imports, the Kerem Shalom crossing remained the sole crossing for imports into Gaza. It was closed for imports for 19 of 261 scheduled operating days

(7 per cent). The continuing closure of the Karni crossing and the prohibition of containerized imports, in place since 2006, contributed to increased expenditure, resulting from storage, palletization, sterilization and additional mileage and staff, amounting to some $6.83 million, in addition to transit charges levied on imports through the Kerem Shalom and Erez crossings.

43. Conditions relating to UNRWA construction projects in Gaza and related approvals remained in place. Throughout 2017, the Agency continued to employ an additional international staff member (in addition to existing international staff), local staff engineers and security guards to meet daily monitoring and coordination requirements previously introduced by the Israeli authorities, amounting to almost $0.78 million in extra staffing costs. UNRWA also continued to provide the Israeli authorities with written confirmation of Agency monitoring of each project, in addition to requirements predating 2017 for documentary material to facilitate the monitoring, by Israel, of construction projects. Cumbersome clearance procedures and frequent processing delays of UNRWA import requests for materials, some of which Israel classifies as dual-use items, and equipment continued to negatively affect Agency operations.[22]

44. Overall, in 2017 alone, additional staffing, transit and logistical costs resulting from Israeli requirements regarding access and monitoring of all UNRWA imports into Gaza amounted to $8.5 million. This does not include similar access costs that private contractors incurred to ship construction materials into Gaza through Kerem Shalom under the Gaza Reconstruction Mechanism.

45. Israeli authorities continued to require standards testing for educational, electronic, medical and other items for official use. The Agency imports goods for its official use that conform to international standards and the United Nations considers that Israeli requirements are contrary to the exemption from prohibitions and restrictions on imports, under the 1946 Convention, in respect of articles imported by the United Nations for official use. As at the end of 2017, 15 consignments destined for the West Bank were still detained, with the duration of detainment ranging between six and eight years for each consignment. The total storage costs for consignments delayed during the year exceeded $256,300.

46. Arrears of $90.9 million accrued as valued added tax (VAT) paid for services and goods procured for the West Bank and Gaza before arrangements were agreed in 2013 with the Palestinian Ministry of Finance remained outstanding. During 2017, UNRWA further accrued VAT in the amount of $0.33 million in addition to VAT accrued since 2013. The cumulative total owed to the Agency for reimbursement of VAT paid for services and goods procured in the West Bank and Gaza amounted to approximately $100.96 million as at 31 December 2017.[23]

47. During 2017, UNRWA was not able to obtain VAT reimbursement from the Israeli authorities following changes to their internal procedures in 2014, other than for two invoices for claims dating back to 2014. As at the end of 2017, approximately $9.6 million[24] of outstanding VAT reimbursement had accrued.

48. The Agency was required, as in the past, to pay port fees and other charges to the Syrian authorities, in contravention of the Agreement of 1948 between the United Nations and the Government of the Syrian Arab Republic. In 2017, fees and charges totalling $369,404 were paid.

[22] For example, as at 31 December 2017, Israeli approval for the importation of six forklifts, eight armoured vehicles and personal protective equipment for United Nations international staff was pending 453, 574 and 708 days, respectively.

[23] Reflecting audited financial statements (2016).

[24] Reflecting unaudited financial information, subject to change.

49. In Jordan, UNRWA continued to face difficulties in securing exemptions from all relevant taxes, custom duties and other fees imposed on imports and insurance contracts made and entered into by the Agency for official purposes. Pending final resolution of these issues, some imports by UNRWA were released under letters of guarantee. As at the end of 2017, the Agency was unable to secure the release of or obtain exemption from customs and other fees with respect to eight vehicles it sought to import for its official use, including one mobile dental clinic and one truck to collect solid waste, affecting the ability of UNRWA to deliver its services. The Agency considers these restrictions to be contrary to its exemption from restrictions on imports under the 1946 Convention and its bilateral agreement with Jordan of 1951. Jordan considers these charges as fees for service. In 2017, UNRWA continued to pay for the inspection of and registration cards for official UNRWA vehicles under protest.

50. UNRWA Operational Support Office teams remained in place in the West Bank, Lebanon, Gaza and Jordan, while an Area Support Office operated in the Syrian Arab Republic, playing an invaluable role in upholding the neutrality of the United Nations, including through the inspection of UNRWA installations, and conducting training for staff and integrating protection principles and practice into programmes and operations.[25] In the West Bank, the programme also facilitated access for Agency staff, vehicles and goods through checkpoints and to areas affected by Israeli military or security operations.

51. The 1946 Convention provides that the premises of the United Nations shall be inviolable. Contrary to this, Israeli security forces entered UNRWA premises in the West Bank without authorization on eight occasions and, during three of these occasions, deployed tear gas, plastic-coated metal bullets or stun grenades from within UNRWA premises. The Israeli security forces prevented Agency beneficiaries from entering or exiting an UNRWA installation on one occasion. On at least 37 occasions, tear gas canisters, stun grenades, plastic-coated metal bullets or live ammunition used by the Israeli security forces landed in Agency compounds or damaged UNRWA property, resulting in one student being injured in an Agency school and personnel and beneficiaries suffering from tear gas inhalation.

52. During the reporting period, UNRWA continued implementing the recommendations of the Board of Inquiry conducted by United Nations Headquarters into certain incidents that occurred in the Gaza Strip between 8 July and 26 August 2014, which have been referred to in previous reports and concerned safety, security, neutrality and communication. In 2017, the Agency issued a neutrality framework, which serves as a repository of existing standards, practices and procedures with regard to neutrality and responds to recommendations made in the Board of Inquiry report.

53. Further to information previously obtained by UNRWA, no updates were forthcoming during 2017 on Israeli criminal investigations regarding incidents that occurred in Gaza during the hostilities of the summer of 2014, which were the subject of the Board of Inquiry, apart from the closure of three investigations as previously reported. The Agency remains concerned as to the need for accountability regarding these and other incidents in which UNRWA installations were directly or indirectly affected contrary to their inviolability, and as a result of which Agency personnel and civilians sheltering in those installations were killed.

54. In the West Bank, there was one incursion by armed Palestinians and one incursion by unidentified gunmen. There were 11 incidents of misuse of UNRWA installations for unauthorized political or other events involving Palestinian factions, camp services committee members or other actors. In addition, Agency premises and

[25] Neutrality inspections of installations were not conducted in the Syrian Arab Republic.

services were disrupted on at least 187 occasions by forced closures or protests, including by members of camp services committees. In Gaza, there were seven incursions by the de facto authorities, some involving armed individuals. There were six incidents of misuse of installations for political activities by other actors. In addition, there were at least 80 incidents of unauthorized entry or use of UNRWA premises in Gaza affecting service delivery or staff movement. There was also one incident of minor damage to an Agency school caused by stray bullets deployed by an unknown Palestinian source landing inside the school outside of classroom hours. UNRWA protested incursions or misuse with the relevant authorities. The Agency also reported the discovery of two tunnels under UNRWA installations in Gaza in 2017. In accordance with standard procedures, the Agency alerted all relevant parties to the discovery of the tunnels, strongly and proactively protested to Hamas, and condemned the existence of tunnels under its premises as a violation of the sanctity and neutrality of its facilities, which are inviolable under international law. The Agency took necessary action to ensure the safety of beneficiaries and personnel and sealed the tunnels under its premises.

55. In the Syrian Arab Republic, as previously reported, UNRWA has sustained conflict-related property losses amounting to millions of dollars since hostilities began in 2011. During 2017, at least seven incidents of shelling or rocket-fire caused damage to Agency premises and three UNRWA vehicles were damaged. Damage to and the lack of safe access to some Agency facilities continued to make it more difficult for Palestine refugees to obtain essential services. Restricted access to hard-to-reach and besieged areas (including Yarmouk, Yalda, Babila and Bayt Saham) during the reporting period prevented humanitarian access and the delivery of services in those areas, in which an estimated 56,600 Palestine refugees still resided as at December 2017. The Syrian authorities forcibly entered an UNRWA installation on at least one occasion. UNRWA also documented at least one instance of armed factions having forcibly entered an Agency installation, which had been closed because of the security situation. Generally, however, UNRWA remained unable to verify other reports regarding the military use of certain Agency installations owing to insecurity and the presence of armed groups in the areas concerned. Despite protests, the UNRWA sanitation office in Khan Dannun continued to be used by military personnel at the adjacent checkpoint.

56. In 2017, there were closures of Agency installations on at least 130 days in Lebanon. Closures were mostly the result of violent actions by beneficiaries and the lack of security more broadly owing to civil unrest and armed factions. Insecurity and armed clashes between factions in Ein El Hilweh refugee camp led to at least 33 days of closure of UNRWA installations in that camp. The Lebanese security forces entered an Agency installation without authorization on one occasion. There were also at least seven incidents of political or armed factions entering UNRWA premises without authorization, with evidence of use in certain cases. The Agency protested against these incidents and liaised with the relevant parties.

Other matters

57. The amount of $680,000 seized by the Government of Lebanon in 2013 has yet to be returned. UNRWA continued to dispute any liability for payment demanded by the Government of Lebanon in the amount of $167.1 million for electricity consumed by Palestine refugees outside of Agency installations in camps in Lebanon.

58. The agreement between UNRWA and Jordan concerning the $74,000 seized by the Jordanian Execution Office in 2012 was implemented during the reporting period.

59. Contrary to the 1946 Convention, Palestinian authorities froze over $13,000 in an Agency bank account following an enforcement order resulting from an adverse

judgment against UNRWA. While the matter was resolved and the funds released following the recognition by Palestine's Supreme Constitutional Court of the Agency's immunity from legal process superseding Palestinian domestic labour law, other cases remained pending at the end of 2017.

60. In relation to the internal justice system, the UNRWA Dispute Tribunal, established on 1 June 2010, operates on a full-time basis and is comprised of one judge and a part-time ad litem judge. During 2017, the Tribunal issued 48 judgments and 189 orders, disposing of 58 cases. As at the end of 2017, 242 cases were pending, including two cases on remand, of which 241 were filed by area staff and one was filed by an international staff member. There were also eight appeals pending before the United Nations Appeals Tribunal.

Legal status of Palestine refugees in the Agency area of operations

61. The legal status of Palestine refugees in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and Gaza remained substantially the same as that described in the report of the Commissioner-General to the General Assembly for 2008 (A/64/13, paras. 52–55).

D. Financial overview

62. With the exception of 155 international staff posts funded by the General Assembly through the regular budget, UNRWA operations are supported through voluntary contributions. The Agency receives funding through: (a) a programme budget fund that supports core operations (including recurrent staff and non-staff costs), such as education, health, camp improvement, relief and social services, protection and support systems and structures; (b) specific, time-bound projects that improve services without increasing recurrent costs; and (c) emergency appeals for humanitarian interventions.

63. In 2017, the Agency mobilized a total pledged amount of $1.239 billion, down by $35.8 million from 2016. In the approved programme budget (cash view) for 2017, projected income was $600 million against projected minimal operating expenditure of $700 million. The Agency faced large shortfalls in its 2017 programme budget, peaking at $122 million. Based on unaudited financial statements, in 2017 the Agency spent $1.31 billion.[26] The largest expenditure was $773 million, under the unrestricted regular budget,[27] accounting for 59.0 per cent of total expenditure. Emergency activities and projects (including restricted fund activities) accounted for 30.7 per cent and 13.7 per cent respectively. Education remained the largest programme funded through the programme budget, with an expenditure of $445.95 million, or 57.73 per cent of the total unrestricted programme budget.[28]

[26] Expenditure differs from pledges. In 2017, expenditure included funds carried forward from 2016 contributions.

[27] The unrestricted budget pertains to unearmarked funds and includes the programme budget. Restricted fund activities pertain to the earmarked budget and include emergency operations, projects and microfinance activities.

[28] This paragraph uses International Public Sector Accounting Standards to summarize the non-cash view of Agency expenses that account for the cost of non-cash elements, including liabilities and asset depreciation rates.

Table 1

Actual expenditure by field of operation and programme, 2017

(Thousands of United States dollars and percentage)

Programme budget	*Gaza*		*Lebanon*		*Syrian Arab Republic*		*Jordan*		*West Bank*		*Headquarters*		*Total*	*Total as percentage*
Education	216 713	28.0	44 149	5.7	18 465	2.4	98 852	12.8	65 610	8.5	2 160	0.3	445 950	57.7
Health	34 969	4.5	22 616	2.9	6 159	0.8	20 974	2.7	27 069	3.5	657	0.1	112 444	14.5
Relief	13 683	1.8	11 664	1.5	1 369	0.2	9 187	1.2	9 297	1.2	1 228	0.2	46 428	6.0
Infrastructure	10 922	1.4	6 709	0.9	2 545	0.3	5 641	0.7	6 119	0.8	1 334	0.2	33 269	4.3
Executive direction	3 481	0.5	2 955	0.4	2 381	0.3	2 467	0.3	4 043	0.5	15 511	2.0	30 837	4.0
Protection	(38)	0.0	183	0.0	27	0.0	84	0.0	13	0.0	354	0.0	625	0.1
Support	20 406	2.6	9 537	1.2	4 570	0.6	1 821	0.2	16 704	2.2	50 548	6.5	103 586	13.4
Total	**300 137**	**38.8**	**97 813**	**12.7**	**35 516**	**4.6**	**139 025**	**18.0**	**128 856**	**16.7**	**71 792**	**9.3**	**773 139**	**100.0**

All funding streams	*Gaza*		*Lebanon*		*Syrian Arab Republic*		*Jordan*		*West Bank*		*Headquarters*		*Total*	*Total as percentage*
Education	231 576	17.0	61 590	4.5	35 725	2.6	106 576	7.8	68 995	5.1	3 527	0.3	507 988	37.2
Health	52 374	3.8	31 722	2.3	11 684	0.9	27 687	2.0	28 805	2.1	1 870	0.1	154 142	11.3
Relief	180 033	13.2	41 498	3.0	149 419	10.9	24 222	1.8	33 893	2.5	1 276	0.1	430 340	31.5
Infrastructure	16 418	1.2	35 184	2.6	2 109	0.2	5 896	0.4	7 838	0.6	1 435	0.1	68 879	5.0
Executive direction	10 647	0.8	7 539	0.6	18 620	1.4	4 218	0.3	6 962	0.5	20 271	1.5	68 257	5.0
Protection	4 212	0.3	1 458	0.1	1 196	0.1	449	0.0	1 159	0.1	1 345	0.1	9 820	0.7
Support	34 298	2.5	10 091	0.7	7 359	0.5	6 831	0.5	15 678	1.1	51 104	3.7	125 361	9.2
Microfinance	–	–											–	
Total	**529 558**	**38.8**	**189 082**	**13.9**	**226 111**	**16.6**	**175 879**	**12.9**	**163 330**	**12.0**	**80 828**	**5.9**	**1 364 788**	**100.0**

Table 2

Actual expenditure by human development goal, 2017

(Thousands of United States dollars and percentage)

Programme budget	*Gaza*		*Lebanon*		*Syrian Arab Republic*		*Jordan*		*West Bank*		*Headquarters*		*Total*	*Total percentage*
A long and healthy life	42 669	5.5	25 962	3.4	7 802	1.0	25 751	3.3	31 273	4.0	–	0.0	133 457	17.3
Acquired knowledge and skills	208 772	27.0	39 660	5.1	16 095	2.1	91 514	11.8	58 730	7.6	–	0.0	414 771	53.6
A decent standard of living	18 920	2.4	14 516	1.9	2 780	0.4	14 341	1.9	14 187	1.8	402	0.1	65 144	8.4
Human rights enjoyed to the fullest	858	0.1	549	0.1	314	0.0	528	0.1	897	0.1	354	0.0	3 500	0.5
Management and operational effectiveness	28 918	3.7	17 126	2.2	8 525	1.1	6 892	0.9	23 769	3.1	71 036	9.2	156 267	20.2
Total	**300 137**	**38.8**	**97 813**	**12.7**	**35 516**	**4.6**	**139 025**	**18.0**	**128 856**	**16.7**	**71 792**	**9.3**	**773 139**	**100.0**

All funding streams	*Gaza*		*Lebanon*		*Syrian Arab Republic*		*Jordan*		*West Bank*		*Headquarters*		*Total*	*Total percentage*
A long and healthy life	61 892	4.5	37 701	2.8	12 771	0.9	32 411	2.4	33 250	2.4	–	0.0	178 026	13.0
Acquired knowledge and skills	219 422	16.1	53 168	3.9	32 022	2.3	97 489	7.1	61 020	4.5	–	0.0	463 121	33.9
A decent standard of living	175 608	12.9	62 327	4.6	151 743	11.1	30 573	2.2	40 878	3.0	449	0.0	461 578	33.8
Human rights enjoyed to the fullest	21 167	1.6	2 117	0.2	3 054	0.2	893	0.1	2 042	0.1	1 345	0.1	30 618	2.2
Management and operational effectiveness	51 469	3.8	33 769	2.5	26 521	1.9	14 514	1.1	26 140	1.9	79 034	5.8	231 445	17.0
Total	**529 558**	**38.8**	**189 082**	**13.9**	**226 111**	**16.6**	**175 879**	**12.9**	**163 330**	**12.0**	**80 828**	**5.9**	**1 364 789**	**100.0**

Chapter II
Subprogramme review

64. The UNRWA medium-term strategy for the period 2016–2021 presents the statement of intent for Agency operations; however, the 2016–2017 proposed programme budget was developed within the framework of the previous medium-term strategy for the period 2010–2015. For this reason, the present report is structured against the framework of the medium-term strategy for 2010–2015. This strategy provided direction for the Agency under four human development goals: a long and healthy life; acquired knowledge and skills; a decent standard of living; and human rights enjoyed to the fullest.

A. Goal 1
A long and healthy life

65. In 2017, UNRWA continued to deliver primary health care to Palestine refugees through 143 health-care facilities and supported access to secondary and tertiary care. In response to the increasing incidence of non-communicable diseases among the Palestine refugee population, the Agency continued to introduce new tests, medicines and public awareness campaigns to promote prevention and condition management of non-communicable diseases. Maternal and child health outcomes, including immunization rates, remained strong. While the conflict in the Syrian Arab Republic has placed a considerable burden on the provision of health care, Agency-wide targets were met for average daily medical consultations per doctor, the percentage of UNRWA hospitalization accessed by recipients under the social safety net programme and the number of Expanded Programme on Immunization, vaccine-preventable disease outbreaks. Targeted results were not fully met, although underachievement was marginal, with regard to the number of health centres fully implementing e-Health,[29] and the percentage of the targeted population screened for diabetes mellitus.

66. Persistent insecurity, occasional outbreaks of violence, widespread poverty and restrictions on the movement of persons and goods have resulted in deep distress among Palestine refugees across many fields of UNRWA operations. In order to support the psychosocial well-being of Palestine refugees, mental health care and psychosocial support is being mainstreamed across the Agency. Within this context, the capacities of frontline medical staff were further developed during the reporting period to address patient care through a holistic and multidisciplinary approach that addresses mental health and psychosocial needs.

67. In 2017, UNRWA upgraded or reconstructed 21 health centres to improve the health-care environment through the development of structures that, in line with the family health team approach, e-Health and protection standards, facilitate improved health outcomes and patient flow.

[29] A health management information system.

Strategic objective: to protect, preserve and promote the health status of Palestine refugees

Expected accomplishment	*Indicator of achievement*	*Measurement*	
		Unit of measure	*Percentage*
(a) Universal access to quality, comprehensive primary health care	Antibiotic prescription rate	Baseline (2017)	24.5
		Target (2017)	25
		Actual (2017)	24.3
(b) Protection and promotion of family health	Percentage of women attending at least four antenatal care visits maintained	Baseline (2017)	89.8
		Target (2017)	90
		Actual (2017)	92
(c) Prevention and control of diseases	(i) Immunization coverage rate against vaccine-preventable diseases maintained	Baseline (2017)	99.3
		Target (2017)	95
		Actual (2017)	98.9
	(ii) Percentage of shelters formally connected to the public water network	Baseline (2017)	99.98
		Target (2017)	100
		Actual (2017)	100[a]
	(iii) Percentage of shelters formally connected to the public sewerage network	Baseline (2017)	91.87
		Target (2017)	95.72
		Actual (2017)	92.94[a]

[a] Excluding the Syrian Arab Republic.

Outputs

- Provision of 8,364,502 medical consultations to Palestine refugees, 60.6 per cent of which were provided to females
- Despite the conflict, 831,015 primary health care consultations were provided in the Syrian Arab Republic
- 203,040 Palestine refugees aged 40 and above were screened for diabetes, a year-on-year increase of 16.9 per cent
- Subsidies were provided to 102,981 patients receiving secondary or tertiary hospitalization care
- 23 per cent of UNRWA health centres were renovated to improve patient care. In total, 52.4 per cent of all Agency health centres now meet enhanced quality care standards
- Average daily medical consultations per doctor declined across all five fields of UNRWA operations in 2017

B. Goal 2
Acquired knowledge and skills

68. During the reporting period, UNRWA continued to provide free basic education in 711 schools across its five fields of operation to over half a million Palestine refugee children. Despite ongoing and new challenges faced during the reporting period, the embedding, enriching and sustaining of education reform, through the medium-term strategy for the period 2016–2021, coupled with the Agency's approach to education in emergencies, continued to positively affect programme outcomes.

Most specifically, a high level of achievement in education results has been maintained.

69. Overall, the UNRWA education system has become increasingly efficient during the reporting period, with a decrease in student dropout rates, mainly at the elementary level, despite a larger number of students in each class (the student classroom ceiling number is set at 50 for purpose-built schools). On a specific operational issue, the Agency has continued to improve its rigorous review of host country textbooks against the UNRWA curriculum framework, surpassing the 2017 target for the number of books reviewed. In addition, the Agency-wide education management information system was rolled out across all fields, marking an important transition from field-specific education management information systems to a coherent Agency-wide one which enables the tracking of individual students, to help better understand the dynamics that may affect retention and learning outcomes.

70. As highlighted, the achievements of the UNRWA education programme over the period of the reform, with additional support under the education in emergencies programme, have resulted in significant improvements, with all targets of the reform being met. In order to sustain and improve upon these achievements, it is vital that the Agency is able to continue to enhance and build upon them.

Strategic objective: to meet the basic educational needs of Palestine refugees, in particular children and youth, and to improve their educational opportunities

		Measurement	
Expected accomplishment	*Indicators of achievement*	*Unit of measure*	*Percentage*
(a) Universal access to and coverage of basic education	(i) Reduced dropout rate of pupils in the elementary education cycle	Baseline (2017/18)	1.25
		Target (2017/18)	1.25
		Actual (2017/18)	1.17
	(ii) Reduced dropout rate of pupils in the preparatory education cycle	Baseline (2017/18)	2.84
		Target (2017/18)	2.84
		Actual (2017/18)	2.87
(b) Improved educational quality and outcomes	(i) Number of textbooks reviewed using the UNRWA curriculum framework	Baseline (2017)	384
		Target (2017)	298
		Actual (2017)	354
	(ii) Proportion of classes exceeding thresholds (less than or equal to 25; more than 40)	Baseline (2017/18)	(>40) 38.88
			(≤25) 5.97
		Target (2017/18)	(>40) 38.88
			(≤25) 5.97
		Actual (2017/18)	(>40) 43.83
			(≤25) 5.03

Outputs

Through embedding, sustaining and building upon its education reform over the reporting period, UNRWA:

- Continued to strive to provide quality, inclusive and equitable education to Palestine refugee children
- Has been able to address preparatory student dropout rates through its education reform, which includes identification of students at risk of dropping out and working to prevent them from doing so. These efforts are reflected very

positively through a marked improvement in the Agency-wide female cumulative preparatory dropout rate, which is at its lowest since the reform began in 2011

- Continued to use its curriculum framework to review all learning materials to be used in its schools. In 2017, UNRWA exceeded its target by reviewing 354 textbooks against the framework (including so-called rapid reviews)

Through the class formation process:

- The Agency successfully enrolled 526,646 Palestine refugee children across all five fields of operation
- In comparison with the 2015/16 school year, the percentage of sections with more than 40 students increased from 38.88 per cent to 43.83 per cent in the 2016/17 school year. This increase in large class sections is the result of the class formation planning ceiling of 50 students per class (for purpose-built schools) adopted because of UNRWA austerity measures. The percentage of class sections with 25 students or less has decreased (from 5.97 per cent in 2015/16 to 5.03 per cent in 2016/17)

Through the infrastructure and camp improvement programme:

- The Agency either constructed, upgraded or reconstructed 12 schools in 2017 to meet UNRWA education reform, protection and safety requirements.

C. Goal 3
A decent standard of living

71. UNRWA aims to ensure Palestine refugees have a decent standard of living through interventions under its education, relief and social services programme, its microfinance programme and its infrastructure and camp improvement programme, in collaboration with host Governments and national and international partners.

72. Of 254,610 Palestine refugees that received assistance under the social safety net programme in 2017, 164,233, or 64.5 per cent, were identified as abject poor under a proxy means testing formula that assesses essential characteristics to identify and prioritize the poorest of the poor. Of the total caseload under the programme, 47.4 per cent were women and 13 per cent were persons with disabilities. In 2016, the Agency transitioned from the provision of in-kind food assistance to a cash-based transfer approach, serving 156,737 persons across Jordan, Lebanon and the West Bank. Regarded as a more effective way to extend assistance, in 2017 this new distribution modality proved itself in reducing administrative and distribution costs associated with the delivery of in-kind assistance while providing recipients with greater freedom of choice and access to a wider range of healthy food options.

73. The UNRWA education programme directly contributes to Palestine refugee livelihoods by providing technical and vocational skills training to UNRWA youth through its technical and vocational education and training programme. During the reporting period, 7,689 young people were enrolled across all fields of operation, studying vocational programmes (such as plumbing or carpentry) or technical programmes (such as engineering, accounting or nursing). Despite the challenging socioeconomic circumstances, the Agency-wide female employment rates for graduates of the programme decreased only slightly to 72.78 per cent for 2016 graduates, while the increase in the Agency-wide male employment rates recorded for 2015 graduates (from 79.66 per cent for 2014 graduates to 85.64 per cent for 2015 graduates) was maintained in relation to 2016 graduates at 85.60 per cent.

74. In 2017, the microfinance programme provided 38,595 loans with a total value of $37,708,136 and was awarded an A+ rating by MicroFinanza Rating (a global microfinance authority) for social performance in Palestine, the only microfinance provider to have received this honour in the Middle East and North Africa region, situating it within the top 5 per cent of all microfinance programmes in the world.

75. Camp improvement works had a positive impact on local economies by driving community demand for construction materials while generating employment opportunities for residents. In this regard, the Agency estimates that over 2,630 full-time equivalent jobs were created in 2017 for Palestine refugees. In addition, works in solid waste disposal, drainage and water and sewerage systems were carried out to prevent the spread of disease.

76. In 2017, UNRWA established 34 formal partnerships in support of poverty alleviation and livelihood activities that benefited 19,070 Palestine refugees across the West Bank and Lebanon. Partnerships were focused especially on extending assistance to and empowering persons with disabilities, youth and women, who suffer higher unemployment and lower labour force participation rates across all Agency fields of operation.

Strategic objective: to improve the standard of living of Palestine refugees through services provided to the poor and vulnerable

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
Reduced poverty among the poorest Palestine refugees	Percentage of beneficiaries of the social safety net programme who are abject poor	Baseline (2017)	62.4
		Target (2017)	63.8
		Actual (2017)	64.5[a]

[a] Excludes the Syrian Arab Republic.

Outputs

- In addition to the 254,610 Palestine refugees that received support under the social safety net programme in 2017, food or multi-purpose cash assistance was provided to 894,232 persons in Gaza, 95,431 persons in the West Bank, 407,306 persons in the Syrian Arab Republic, 32,332 persons in Lebanon and 15,728 persons in Jordan under emergency funding. Furthermore, temporary emergency-related job opportunities were provided to 26,124 refugee households across the occupied Palestinian territory.

			Measurement	
Expected accomplishment	*Indicator of achievement*		*Unit of measure*	*Percentage*
Sustained access to employment for Palestine refugees	Female and male employment rates for graduates within 12 months of graduation maintained:			
	a.	Female	Baseline (2016/17)	75.28
			Target (2016/17)	75.28
			Actual (2016/17)	72.78
	b.	Male	Baseline (2016/17)	85.64
			Target (2016/17)	85.64
			Actual (2016/17)	85.60

Outputs

- Technical and vocational skills development was provided to 7,689 students in UNRWA vocational training centres
- Increased access to technical and vocational education and training for vulnerable groups, specific to their contexts. In Jordan, the percentage of vulnerable groups (social safety net programme beneficiaries and other vulnerable groups in specific fields of operation, enrolled in 2017/18 was 52 per cent; in Lebanon, 47 per cent; in the West Bank, 26 per cent; and in Gaza 90 per cent
- Ongoing implementation of the technical and vocational education and training strategy with its nine thematic building blocks, including: the successful roll-out of an Agency-wide electronic student registration system in the Jordan field of operations to strengthen evidence-based programme management, capturing academic and financial information of students from their initial enrolment through graduation; and the quality assurance framework being piloted in Jordan, Lebanon and the West Bank, which is helping to ensure coherent, effective, efficient, relevant and responsive programming of technical and vocational education and training

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Number*
Substandard camp infrastructure and accommodation upgraded	Number of refugee families living in rehabilitated shelters	Baseline (2017)	449
		Target (2017)	2 633
		Actual (2017)	345[a]

[a] Excludes the Syrian Arab Republic.

Outputs

- Years of underfunding (shelter rehabilitation is entirely dependent on project funding) have severely curtailed infrastructure and camp improvement programme implementation across all areas of UNRWA operations. These constraints accounted for achievements that fell well below targets
- Under emergency funding, 5,037 shelters were rehabilitated in Gaza

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Value Number*
Inclusive financial services and access to credit and savings facilities are increased[a]	(i) Value of loans disbursed	Baseline (2017)	$39 780 417
		Target (2017)	$44 857 504
		Actual (2017)	$37 708 136
	(ii) Number of loans disbursed	Baseline (2017)	39 161
		Target (2017)	44 340
		Actual (2017)	38 595

[a] UNRWA microfinance is not provided in Lebanon.

Outputs

- In 2017, 13,756 loans valued at $18,075,602 were extended to Palestine refugees, corresponding to 35.6 per cent of the total number of clients (38,595) with loans and 47.9 per cent of the total disbursed value ($37,708,136)
- Women continued to be prioritized as loan recipients with 15,898 loans (valued at $12,563,899) being disbursed to women, of which 5,733 loans were extended to women refugees (valued at $5,676,547). In addition, 10,870 loans were disbursed to young borrowers (valued at $10,987,235), of which 3,773 loans ($4,503,721, or 35 per cent) were extended to Palestine refugee youth

D. Goal 4
Human rights enjoyed to the fullest

77. UNRWA aims to ensure that Palestine refugees enjoy human rights to the fullest extent possible by mainstreaming protection in and through its service delivery and by promoting greater respect for international law. Palestine refugees continue to face protection challenges owing to the lack of a just and durable solution to their plight, the ongoing conflict in the Syrian Arab Republic, over 50 years of occupation in the occupied Palestinian territory, over 10 years of blockade in Gaza and a precarious legal status in some host countries.

78. Throughout 2017, significant advances were made in both strengthening the Agency's protection response and mainstreaming protection standards across all programming. In this regard, UNRWA further demonstrated its commitment to disability inclusive programming and service provision through the finalization, issuance and operationalization of disability inclusion guidelines to ensure that persons with disabilities have equal opportunities to participate in and benefit from assistance. In addition, the Agency facilitated greater coherence, consistency and quality of mental health and psychosocial support interventions through the finalization of a framework dedicated to improved mental health and psychosocial well-being of Palestine refugees. Finally, UNRWA continued to implement its child protection framework, focusing on an initiative to address violence against children in Agency installations and service provision.

79. UNRWA continued to consolidate its multisectoral approach to prevent and respond to gender-based violence with a focus on emergencies and the development of key guidance documents. In this regard, towards the mainstreaming of gender-based violence interventions into emergency preparedness, prevention and response, the Agency: (a) developed field-level gender-based violence road maps that set out specific activities to operationalize the UNRWA gender-based violence prevention framework; and (b) finalized and disseminated guidelines for gender-based risk mitigation in emergencies.

80. During the reporting period, the Agency continued to advocate for the rights of Palestine refugees through private and public advocacy. Despite difficulties faced within challenging operational contexts, 30.6 per cent of advocacy interventions yielded a positive response by the concerned authorities. UNRWA continued to engage with international human rights mechanisms and other relevant forums in addressing key protection concerns faced by Palestine refugees.

Strategic objective: to safeguard and advance the rights of Palestine refugees

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
(a) Increased awareness and respect for the rights of Palestine refugees	Percentage of UNRWA interventions on protection issues that prompt a positive response from authorities	Baseline (2017)	25.7
		Target (2017)	39.0
		Actual (2017)	30.6
(b) Rights, safety and dignity of Palestine refugees are promoted and protected	Percentage of protection mainstreaming recommendations from internal protection audits implemented	Baseline (2016)	74.0
		Target (2018)	77.6
		Actual (2017)	29.6[a]

[a] Protection audits are conducted on a biennial basis. Actual results reported in 2017 represent progress at the halfway point of the audit recommendation implementation period. Based on the interim percentages covering full and partial implementation and further expected progress in 2018, it is anticipated that the 2018 targets will be met by the end of the biennial cycle.

Outputs

- 329 advocacy interventions were implemented on a range of protection issues
- UNRWA identified and provided assistance to an estimated 4,958 survivors of gender-based violence, 2,540 children and 299 persons with disabilities experiencing a protection risk. In addition, the Agency facilitated access to rehabilitation services and disability-specific support for an estimated 13,143 Palestine refugees with disabilities
- 3,026 Agency personnel received protection training
- 98,087 Palestine refugees were provided with mental health and psychosocial support
- Legal assistance (including the provision of counselling and legal information) was provided to 12,733 Palestine refugees on a range of issues which included civil status/registration and gender-based violence
- UNRWA made 16 submissions and briefings to international human rights mechanisms

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
Palestine refugee status and eligibility for UNRWA services protected	Percentage of new inscriptions meeting UNRWA standards maintained	Baseline	–
		Target	–
		Actual	82.0

Output

- The refugee registration information system continued to facilitate the application of UNRWA consolidated eligibility and registration instructions, significantly improved the Agency's ability to monitor transactions and processes and, ultimately, served refugees in a more dignified and efficient way

Endnote

81. UNRWA was established pursuant to General Assembly resolution 302 (IV) of December 1949. The Agency is a subsidiary body of the Assembly and became

operational on 1 May 1950, responding to the needs of about 750,000 Palestine refugees. It is one of the largest United Nations programmes, with a population of 5.44 million registered Palestine refugees under its mandate at the end of 2017, and around 31,000 staff. Palestine refugees are defined as "persons whose normal place of residence was Palestine during the period of 1 June 1946 to 15 May 1948, and who lost both home and means of livelihood as a result of the 1948 conflict" and include descendants through the male line.

82. The mission of the Agency is to assist Palestine refugees in achieving their full potential in human development until a durable and just solution is found to the refugee issue. The Agency fulfils its humanitarian and human development mandate by providing protection and essential services to Palestine refugees in Gaza, the West Bank, Jordan, Lebanon and the Syrian Arab Republic. Its services include basic (and in Lebanon, secondary) education, comprehensive primary health care, emergency relief, social interventions, microfinance, shelter and infrastructural support.

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